

Successor Coeur d'Alene Custodial Trust

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Via E-mail

April 19, 2017

Ms. Tracy Chellis
Mr. Bill Adams
U.S. EPA
1200 Sixth Ave.
Suite 900
Seattle, WA 98115

SUBJECT: 1st Quarter 2016 Report

Dear Tracy and Bill:

Attached is the 1st Quarter 2017 Report for the Successor Coeur d'Alene Custodial Trust. The report consists of:

- A bulleted narrative of remediation activities and asset management
- A budget and expenditure spreadsheet for the quarter
- A summary spreadsheet showing the values of the three accounts
- The quarterly investment and bank account statements from BlackRock and Wells Fargo (sent to Bill with the hard copy of this report).

I certify that the reports are true and accurate to the best of my knowledge, information, and belief.

Sincerely,



Dan Silver
Trustee

Cc. Dan Meyer

Enclosures

Coeur d'Alene Trust

1st Quarter 2017 Work Completed

Program Management (#2017-02)

- Prepared 2017 Health and Safety Plans.
- Prepared and submitted to USEPA an updated Statement of Work.
- Coordinated access agreements for projects.
- Reviewed USEPA's 2016 10-year implementation plan.

EFNM WCA Waste Placement (#2017-03)

- Coordinated with contractor for upcoming field season.
- Prepared and reviewed EFNM WCA 2016 remedial action completion report.

Success Complex Construction (#2017-04)

- Coordinated with contractor for upcoming field season.
- Coordinated 401/404 report submittal to USEPA.
- Prepared and submitted to USEPA the 2016 Interim remedial action construction report.
- Prepared and submitted to USEPA the Success Complex 100% basis of design report and remedial action work plan with updated addendum.

Interstate Millsite Design (#2017-05)

- Prepared and submitted to USEPA the 2016 investigation summary report.
- Prepared and submitted to USEPA the remedial design work plan and 30% design memorandum.
- Prepared construction QAPP.

Tamarack Complex Investigation (#2017-06)

- Prepared Tamarack Complex investigation QAPP.
- Coordination with subcontractors regarding 2017 scope of work.

SVNRT Repository Design (#2017-07)

- Prepared QAPP addendum for additional predesign investigations on Hinsz and Granada Silver properties.
- Coordinated with USEPA and IDEQ regarding public meeting regarding the SVNRT Repository expansion.
- Prepared text and figures for SVNRT Repository expansion public meeting.
- Prepared and submitted final 30% SVNRT Repository basis of design report.

Source Control Planning and Wastewater Assessment (#2017-08)

- Prepared Canyon Creek Basin water treatment background report summarizing available characterization data and basin conditions.
- Evaluated potential sites for borrowing rock for remediation activities.

Operations and Maintenance for Completed Source Control Remedies (#2017-09)

- Prepared and submitted to USEPA the Osburn USBM 2016 annual evaluation report.

- Completed initial and post high flow inspection at the Osburn USBM site.

Lower Burke Canyon Repository (LBCR) Operations (#2017-10)

- Maintained access to ICP area.
- Prepared and submitted memorandum regarding potential principal threat waste temporarily stored at the LBCR.
- Prepared and reviewed 2016 operations report, as-builts, and vibrating wire piezometer letter.

Repositories Operations Management (#2017-10)

- Prepared materials for and completed bid process for repository operations contract for the management of waste streams from within Operable Unit 3 of the Bunker Hill Superfund Site.
- Procured a contractor to provide 2017 repository operations services.
- Contractor prepared materials required for operation of repositories.

Limited Use Repositories (LURs) Operations (#2017-11)

- Prepared and submitted to USEPA the 2016 season closeout reports for Shoshone County Transfer Station and East Zanetti Yard LURs.

East Mission Flats Repository (EMFR) Operations (#2017-12)

- Maintained access to ICP area.
- Prepared and reviewed 2016 annual operations report.

Big Creek Repository (BCR) Operations (#2017-13)

- Maintained access to ICP area.
- Prepared and submitted the BCR east expansion and final cover 100% basis of design report and remedial action work plan.
- Finalized BCR Bridge inspection report.
- Reviewed BCR as-built drawings.
- Prepared and reviewed 2016 annual operations report.

Mullan Institutional Control Program (ICP) Transfer Station (#2017-14)

- No work completed during first quarter.

RA Effectiveness Monitoring and Other Water Monitoring (#2017-15)

- Prepared and submitted to USEPA the final programmatic QAPP.
- Prepared 2017 scope of work and communicated with subcontractors.
- Prepared and submitted Hecla data transmittal.
- Submitted monitoring analytical results to USEPA's SCRIBE database.
- Coordinated water monitoring activities with multiple organizations and stakeholders.
- Ninemile and Canyon Creek Monitoring:
 - Prepared EFNW WCA evaluation and Ninemile and Canyon Creek loading assessment.
 - Coordinated sampling activities in Ninemile Basin and Canyon Creek Basin.

- Prepared monitoring reports for Ninemile Basin and Canyon Creek Basin.
- Prepared and submitted to USEPA the 2017 site-specific sampling and analysis plans.
- Repositories (BCR, BCRA, and EMFR) Monitoring:
 - Prepared monitoring reports for BCR (including BCRA) and EMFR.
 - Coordinated with Idaho Department of Environmental Quality regarding historical analytical data and reports.
 - Reviewed and prepared response to BCR/EMFR optimization report. Response included schedule of activities recommended in report.
 - Prepared and submitted to USEPA the 2017 site-specific sampling and analysis plans.
 - Prepared limited prediction limit evaluations and evaluated historic data for BCR and EFMR.
 - Monitored water levels at repositories during flood conditions.
 - Conducted first quarter 2017 water monitoring at BCR/BCRA.
 - Evaluated BCRA analytical trends for first quarter sampling event.

Lower Basin Pilot Projects (#2017-16)

- Prepared and submitted to USEPA the draft and final 2016 Lower Basin floodplain sediment sampling report.
- Prepared and submitted to USEPA the final Kahnderosa remedial action completion report.

Remedy Protection Program (#2017-17)

- Prepared and submitted to USEPA the Rosebud Gulch 90% design, construction quality assurance plan, and remedial action work plan.
- Prepared and submitted to USEPA the 90 % Hunt Gulch design, construction quality assurance plan, and remedial action work plan.
- Prepared and reviewed the Hunt Gulch 100% design reports, drawings, and specifications.
- Prepared and reviewed Rosebud Gulch 100% design reports, drawings, and specifications.
- Conducted construction oversight for Copper/Boulder and Mill Creek remedy protection projects.
 - Monitored status of measures constructed in 2016.
 - Reviewed construction phase submittals for Copper Street/Boulder Creek.
 - Prepared bid documents for Copper Street/Boulder Creek phase 2 construction.
 - Prepared and submitted letter to city of Mullan regarding plans for Copper Street/Boulder Creek project.
- Prepared and submitted final Silverton remedial action completion report
- Prepared 2017 Remedy Protection Health and Safety Plan.
- Coordinated the plans and actions of organizations involved in Remedy Protection work.
- Collaborated with governmental entities, utilities, homeowners, and all others impacted or potentially impacted by Remedy Protection activities.

Basin Property Remediation Program (# 2017-18)

- Coordinated with the EPA PM to determine eligibility and extent of remediation for rights-of-way, commercial properties and residential properties.
- Worked with Trust contractor on access, sampling and plot plan design activities.
- Worked with the BPRP construction contractor making preparations for beginning the 2017 construction season.
- The Trust is anticipating the remediation of up to approximately 70 properties totaling 1,000,000 square feet during the 2017 construction season.

Roadway Improvement Program (# 2017-19)

- Coordinated with the Roads Board on preparation of the 2017 scope of work and budget.
- Coordinated with the Roads Board on development of the 2017 work orders for the Engineering and Construction activities for the communities of Mullan, Wallace, Osburn, Shoshone County and East Side Highway District.
- Coordinating with the Roads Board on payment of invoices for 2017 engineering work completed to date.

Asset Management

- Prepared legal descriptions and exhibits to assist in the acquisition of properties near SVNRT Repository.
- Purchased Hecla property south of SVNRT Repository to facilitate remedial action.
- Entered into purchase and sale agreement for property north of SVNRT currently owned by Mr. Cliff Hinsz.
- The Trustee and investment advisor met with its BlackRock investment team in January. BlackRock anticipates both higher inflation and lower returns in 2017. Subsequently BlackRock informed the Trust that it is discontinuing a product in which the Trust is invested. The Trust will adjust its holdings in the second quarter.
- The Trust distributed \$20m from BlackRock to Wells Fargo to fund the 2017 work. \$734k was expended during the quarter on the 2017 Budget.
- The value of the Trust increased \$18.8m in the first quarter.

Coeur d'Alene Trust 2017 Expenditures- Monthly Summary with Projections

Project No.	Task	EPA-Approved Budget	Expended To Date 2017	EPA Authorized Budget Remaining	Projected Balance	Percent of EPA Budget Expended
	Coeur d'Alene Trust Program Management					
2017-01	Trust Administration	\$880,000	\$173,205	\$706,795	-\$173,205	20%
2017-02	Program Management Assistance	\$240,000	\$35,887	\$204,113	\$204,113	15%
	Source Control Sites					
2017-03	EFNM WCA Expansion Construction and Waste Placement	\$1,100,000	\$28,459	\$1,071,541	\$130,891	3%
2017-04	Success Complex Construction	\$2,136,000	\$13,239	\$2,122,761	\$2,013,083	1%
2017-05	Interstate Millsite Design	\$503,000	\$57,981	\$445,019	\$442,925	12%
2017-06	Tamarack Complex Investigation	\$549,000	\$16,345	\$532,655	\$132,471	3%
2017-07	SVNRT Repository (LBCR Annex) Design	\$1,407,000	\$115,044	\$1,291,956	\$519,147	8%
2017-08	Source Control Planning and Wastewater Assessment	\$200,000	\$5,120	\$194,880	\$94,880	3%
2017-09	Operations & Maintenance for Completed Source Control Remedies	\$152,000	\$1,156	\$150,844	\$43,900	1%
	Repositories					
2017-10	Repository Operations-Lower Burke Canyon Repository	\$380,000	\$27,124	\$352,876	\$285,987	7%
2017-11	Limited Use Repositories-Design, Operations, and Closure	\$261,000	\$821	\$260,179	\$215,377	0%
2017-12	Repository Operations-East Mission Flats Repository	\$163,000	\$113	\$162,887	\$129,748	0%
2017-13	Repository Operations-Big Creek Repository (including BCRA)	\$350,000	\$4,699	\$345,301	\$279,429	1%
2017-14	Mullan ICP Transfer Station	\$200,000	\$0	\$200,000	\$157,882	0%
	RA Effectiveness Monitoring and Other Water Monitoring					
2017-15	RA Effectiveness Monitoring and Other Water Monitoring	\$520,000	\$85,106	\$434,894	\$114,894	16%
	Lower Basin Pilot Projects					
2017-16	Unspecified Lower Basin Pilot Projects(s)	\$200,000	\$17,672	\$182,328	\$42,328	9%
	Remedy Protection Program					
2017-17	Design and Construction of Remedy Protection Projects	\$2,820,000	\$17,236	\$2,802,764	\$822,346	1%
	Basin Property Remediation Program					
2017-18	Basin Property Remediation Program-Including Large Commercial Properties	\$4,000,000	\$109,325	\$3,890,675	\$990,675	3%
	Roadway Improvement Program					
2017-19	Design and Construction of Roadway Improvement Projects	\$4,340,000	\$25,839	\$4,314,161	\$3,607,373	1%
2017-20	Diesel Emissions Program	\$50,000	\$0	\$50,000	\$18,244	0%
	Contingency	\$250,000	\$0	\$250,000	\$0	0%
	Total	\$20,701,000	\$734,371	\$19,966,629	\$10,072,489	

**Coeur d'Alene Trust
Account Values
1st Quarter 2017**

	1st Quarter 2017			
	<i>General Work Account</i>	<i>Special Work Account</i>	<i>Custodial Account</i>	<i>1st Q Totals</i>
Beginning Account Value	\$ 450,118,369	\$ 45,404,282	\$ 38,567	\$ 495,561,218

BlackRock Investment Accounts

Beginning Account Value	\$ 445,199,655	\$ 45,404,282	\$ -	\$ 490,603,937
Change in Value	<u>\$ (1,583,633)</u>	<u>\$ 1,967,741</u>	<u>\$ -</u>	<u>\$ 384,108</u>
Subtotal: Ending Balance	\$ 443,616,022	\$ 47,372,023	\$ -	\$ 490,988,045

Wells Fargo Analyzed Business Checking

Beginning Account Value	\$ 3,385,342	\$ 3,385,342
Credits	\$ 318	\$ 318
Debits	<u>\$ (1,594,238)</u>	
Subtotal: Ending Balance	\$ 1,791,421	\$ 1,791,421

Wells Fargo Commercial Savings

Beginning Account Value	\$ 1,533,372	\$ 38,567	\$ 1,571,940
Deposit from Investment Acct.	\$ 20,000,000		\$ 20,000,000
Debit		\$ -	\$ -
Transfer to Checking			\$ -
Interest	<u>\$ 6,334</u>	<u>\$ 5</u>	<u>\$ 6,338</u>
Subtotal: Ending Balance	\$ 21,539,706	\$ 38,572	\$ 21,578,278

Quarter End Account Value	\$ 466,947,149	\$ 47,372,023	\$ 38,572	\$ 514,357,744
Quarterly/Annual Change in Value				\$ 18,796,526